

Indiana Long Term Care Insurance Program

Quarter 4-2003 Report

October 1, 2003 through December 31, 2003



Completed on February 25, 2004

QUARTERLY SUMMARY REPORT – INDIANA

	QUARTER 4-2003	TO DATE
Applications Received:	1,501	35,243
Applications Denied:	268	4,885
Applications Pending & Withdrawn:	N/A	408
Policies Purchased:	1,195	29,950
Policies Dropped (voluntarily & for unknown reasons*):	173	3,102
Policies Not Taken Up: (dropped within 30 day free look period)	61	2,332
Total Policies In Force (active):	N/A	25,103
Policyholders Who Received Service Payments:	73	174

** Does not include drops reported as deaths, rescissions or exhausted benefits.*

INDIANA LONG TERM CARE INSURANCE PROGRAM

Statistical Summary

Period: October 1, 2003 – December 31, 2003

Report Prepared 02-25-2004

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending December 31, 2003, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter was 1,195!** This is the 17th consecutive quarter with over 1,000 policies purchased!
- **Cumulatively, 35,243 applications have been submitted with over 29,000 policies purchased!**
- **Comprehensive policies continue to be the primary type of policy being purchased.** For example, 95% of all policies purchased in Q4'03 were comprehensive while only 5% were for nursing home only. Cumulatively, the number of comprehensive policies purchased has increased from 84% of all sales (Q4'02) to 86% of all sales (Q4'03).

84% of policies purchased during Q4'03 qualify for Total Asset Protection. Cumulatively, 75% of all policies purchased qualify for Total Asset Protection.

- **94% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 62. Age range of purchasers is 19 to 90.**
- **Cumulatively, 53% of all policyholders were age 65 or under at the time of purchase.**

Indiana Long Term Care Insurance Program
Fact Sheet For Quarter 4, 2003

PARTICIPATING COMPANIES:

American Republic – Individual: Tax Qualified
Bankers Life and Casualty – Individual: Tax Qualified
Cincinnati Life - Individual: Tax Qualified
CNA – Individual & Group: Tax Qualified
GE Capital Assurance – Individual: Tax Qualified
John Hancock – Individual: Tax Qualified
Life Investors – Individual: Tax Qualified

MedAmerica – Individual & Group: Tax Qualified
Metropolitan Life - Individual: Tax Qualified
Monumental Life – Individual: Tax Qualified
Mutual of Omaha – Individual: Tax Qualified
Penn Treaty Network America - Individual
State Farm – Individual: Tax Qualified

Twelve companies provided data during Quarter 4, 2003.

CONSUMER CALLS MADE TO SHIP (Senior Health Insurance Information Program) ABOUT ILTCIP AND LTC INSURANCE:

- Q4'03 = 229
- Cumulative = 29,415 (since 5/93)

PRESENTATIONS MADE BY ILTCIP STAFF:

Quarter 4'03

conducted = 22 (13 agent-sponsored)
attendees = 319

Cumulative (since 1997)

conducted = 579 (404 agent sponsored)
attendees = 17,141

ILTCIP WEBSITE (* equals the number of times a page was opened within the Website)

- Q4'03 = 6,190*
- Cumulative = 109,246 (Since 1-99)

**Indiana Long Term Care Insurance Program:
Statistics For Quarter Ending December 31, 2003
In Comparison To Cumulative Program Statistics**

	Quarter ending 12-31-03	Cumulative as of 12-31-03
Applications Received	1,501	35,243
Applications Denied	268 (18%)	4,885 (14%)
Total Policies Purchased	1,195	29,950
Total Policies Dropped *	<u>252 (21%)</u> 18 Died (7%) 52 Voluntarily (21%) 121 Unknown (48%) 0 Converted (0%)	<u>5,910 (20%)</u> 343 Died (6%) 1,597 Voluntarily (27%) 1,505 Unknown (25.4%) 133 Converted (2.2%)
Policies Not Taken Up During 30 Day Free Look	61 Not Taken Up (24%)	2,332 Not Taken Up (39.4%)
Policies in Force	N/A	25,103

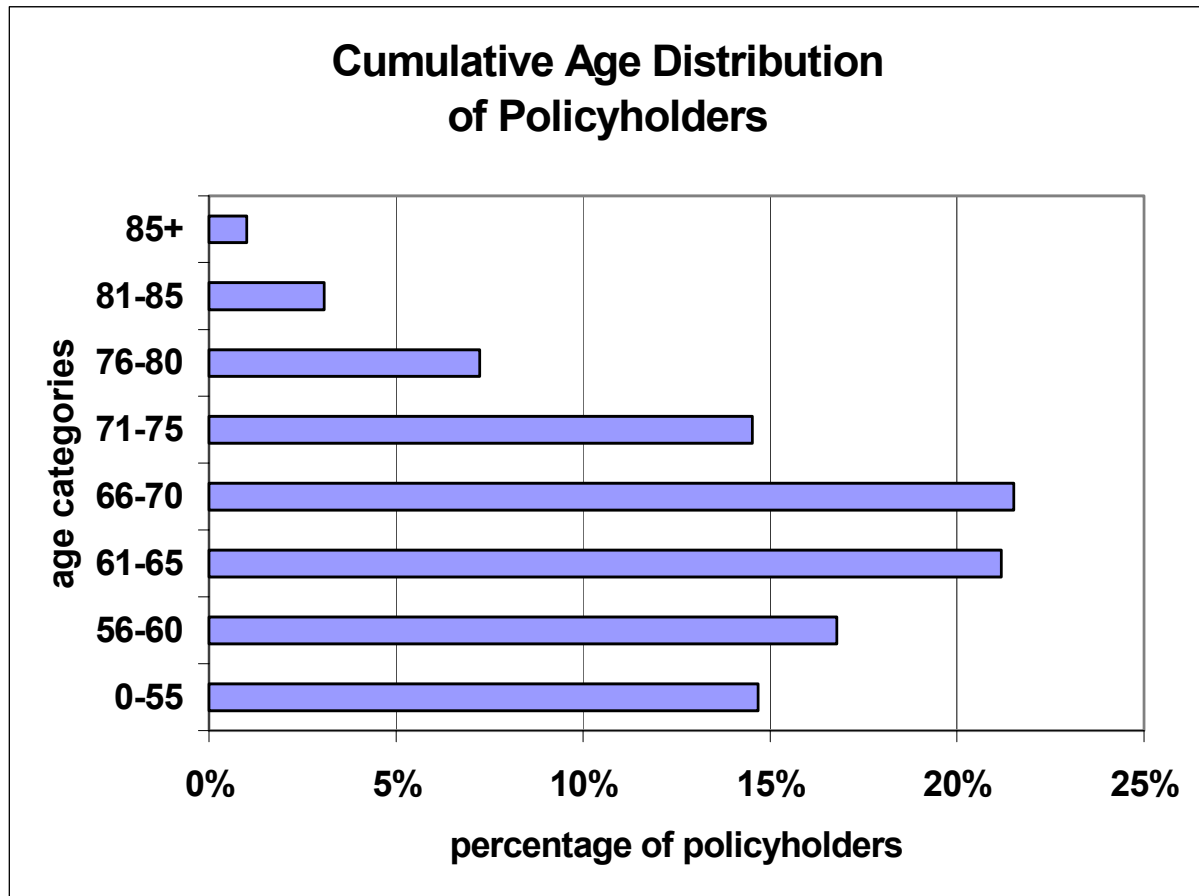
**Does not include exhausted or rescissions.*

This information was based on quarterly and cumulative policies in force.

Nursing Home and Home Care Policies.	1,131 (95%)	21,550 (86%)
Nursing Home Only Policies	64 (5%)	3,553 (14%)
First Time Purchasers	1,164 (97%)	23,474 (94%)
Upgrades or Replacements	31 (3%)	1,629 (6%)
Individual	1,146 (96%)	24,070 (96%)
Group Certificates	3 (<1%)	316 (1%)
Organization Sponsored	46 (4%)	717 (3%)
Male	513 (43%)	10,709 (43%)
Female	682 (57%)	14,394 (57%)
Married	986 (83%)	19,232 (77%)
Not Married	208 (17%)	5,497 (22%)
Unknown	1 (<1%)	380 (1%)

Age Distribution of Partnership Policyholders at Time of Purchase

	<u>Age Range</u>		<u>Average Age</u>
	<i>Low</i>	<i>High</i>	
Individual Policyholders	19	90	62
Group Certificateholders	23	74	49
Organization Sponsored	20	84	58
All Insureds	19	90	62



Nursing Home Per Diem Amounts (Policies in Force):

Average Amount: \$119.42

Mode: \$120.00 (15% of all purchasers)
 \$100.00 (14% of all purchasers)

Home Care Per Diem Amounts (Policies in Force):

Average Amount: \$106.76

Mode: \$120.00 (10% of all purchasers)
 \$100.00 (7% of all purchasers)

Elimination Periods (Policies in Force):

Nursing Homes:

0 days	1,804 (7%)
15 days	52 (<1%)
20 days	646 (3%)
30 days	4,914 (20%)
50 days	1,507 (6%)
60 days	1,115(4%)
90 days	6,150 (25%)
100 days	8,452 (34%)
180 days	350 (1%)

Home and Community Care:

0 days	8,241 (38%)
14 days	266 (1%)
15 days	30 (<1%)
20 days	441 (2%)
30 days	3,903 (18%)
50days	28 (<1%)
60 days	714 (3%)
90 days	4,764 (22%)
100 days	2,817 (13%)
180 days	350 (2%)

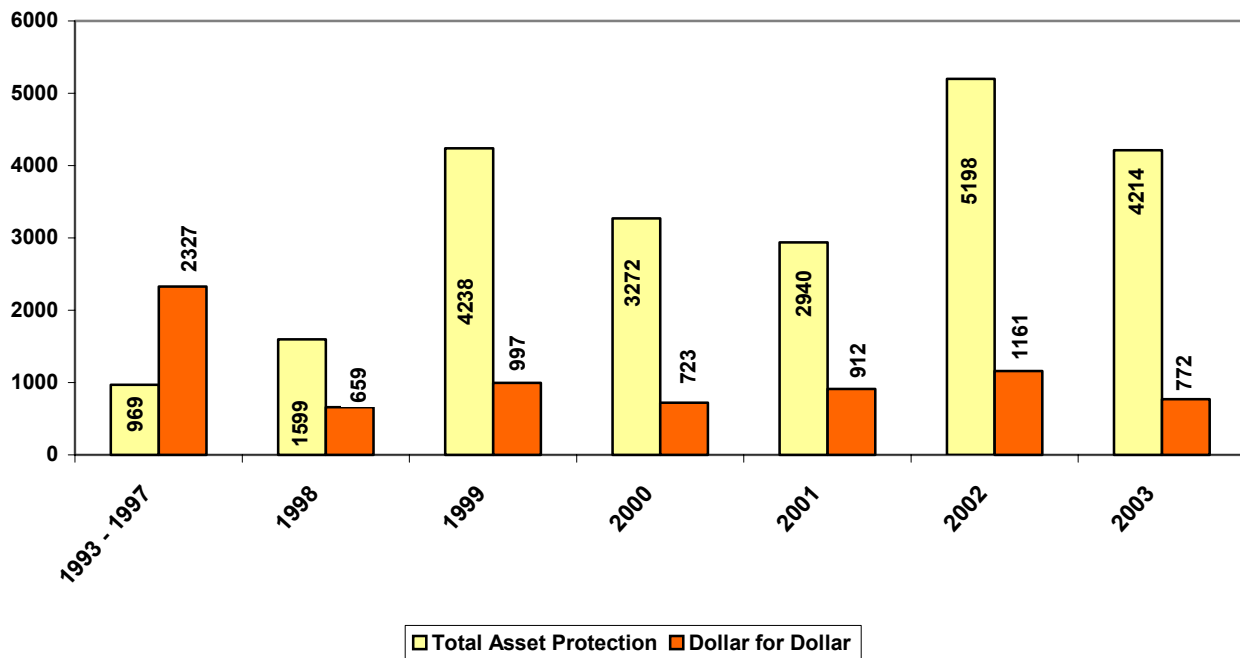
Riders:

Non-Forfeiture	<1%
Restoration of Benefits	1%
Spousal Benefit Enhancement	1%
Other Riders	2%

Asset Protection Type at Initial Policy Purchase By Policy Effective Date

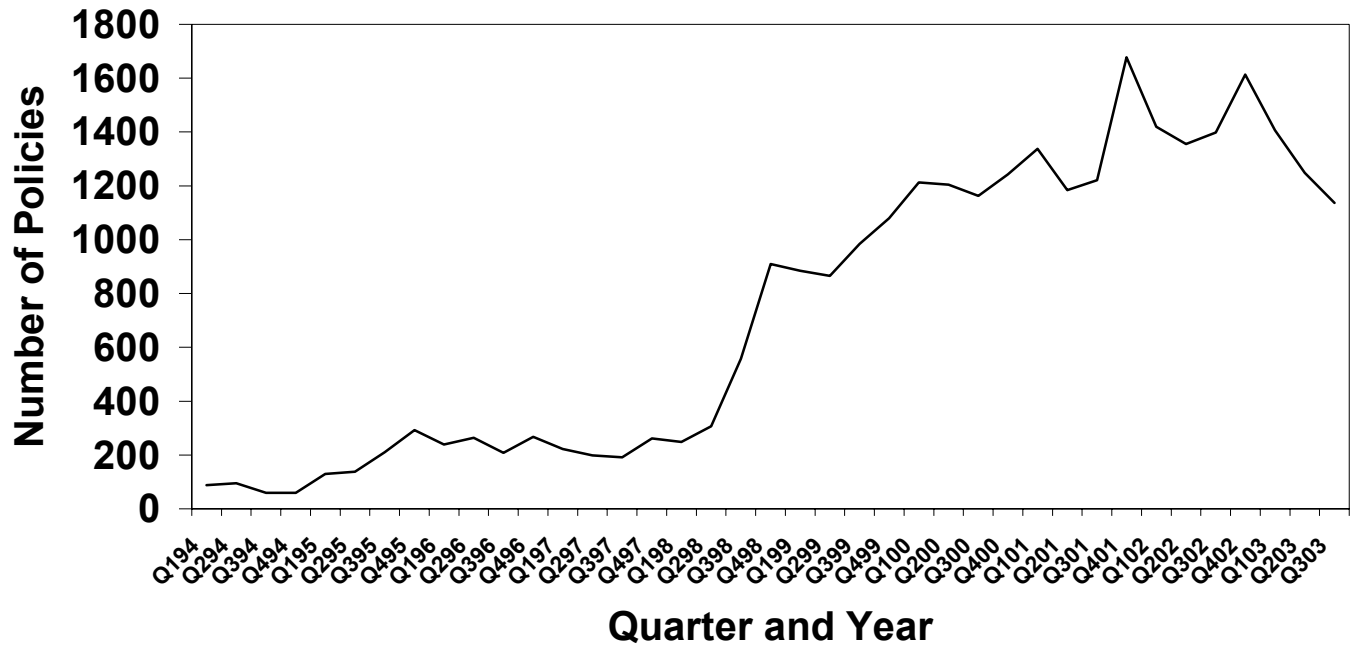
Quarter 4-2003	Cumulative at Time of Purchase
Policies Purchased by Quarter	1,195
Policies Purchased by Cumulative	29,950
Total Asset Protection by Quarter	1,001
Total Asset Protection by Cumulative	22,388
Dollar for Dollar by Quarter	194
Dollar for Dollar by Cumulative	7,548

Asset Protection Type at Initial Purchase



*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.

Indiana Partnership Policies Purchased by Quarter 1994 - 2003



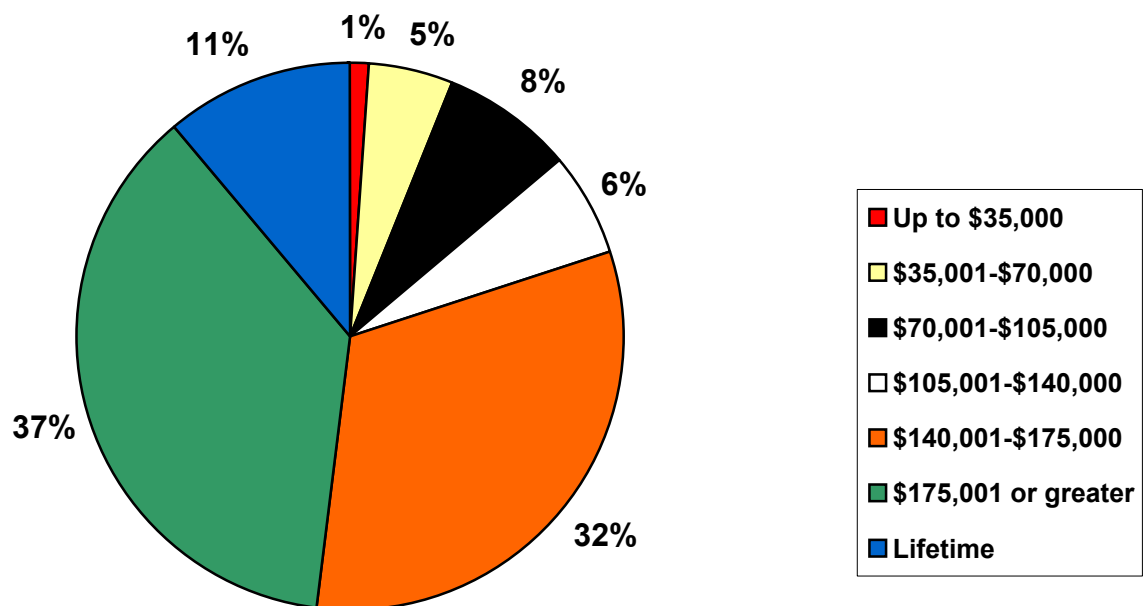
Maximum Policy Amount of Policies in Force:

Range: \$23,660 - \$6,504,300 (plus 2,703 lifetime policies)

Average amount: \$177,270 (not including lifetime policies)

Maximum Benefit Amounts Selected By All Purchasers (cumulative)

Maximum Benefit Amount at Time of Purchase	All Purchasers
Up to \$35,000 Approx: (1 yr)	1%
\$35,001 - \$70,000 (2 yrs)	5%
\$70,001 - \$105,000 (3 yrs)	8%
\$105,001 - \$140,000 (4 yrs)	6%
\$140,001 - \$175,000 (5 yrs)	32%
\$175,001 or greater (6 yrs +) (excluding lifetime)	37%
Lifetime Policies	11%



Policyholders in Benefit Information as of December 31, 2003

Benefit Status

Number of policyholders, to date, who have received benefit payments.	174
Number of policyholders in benefit as of Quarter 4, 2003.	73
Number of policyholders that received benefits and have died.	40
Number of policyholders that have exhausted their policy benefits and accessed Medicaid.	11

Asset protection earned by policyholders to date.	\$6,183,281.19
Asset protection earned by policyholders who have accessed Medicaid	\$539,024.48
Asset protection earned to date that will not be accessed (policyholders who have died)	\$1,057,643.53
Asset protection earned to date by persons who have exhausted their policy benefits but have not applied to Medicaid	\$1,206,540.20

Service Utilization

Type of Service* (other than case management)	% of Total Claimants by Type of Service **
Nursing Home Care	53%
Home Health Aide – hourly care	6%
Home Health Aide – daily care	8%
Attendant Care	1%
Other Institutional	0%
Hospital Bed Hold	9%
Assisted Living	16%
Adult Day Care	2%
Personal Care	4%
Alternate Level of Care	1%

*These categories are not mutually exclusive, therefore, percents shown will not total 100.

**This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

AGGREGATE CLAIMANT PROFILE
As Of December 31, 2003

Gender	Female	70%
	Male	30%
Marital Status	Not Married	42%
	Married	50%
	Unknown	8%
Average Age At The Time Of Policy Purchase		74
Average Age At The Time Of Claim		78
Age Range At Time Of Claim	Range =	54 – 92
	Mean =	77.66
	Median =	78
Policy Type Owned:	Nursing Home Only	32%
	Nursing Home & Home Care	68%

Average time elapsed between purchase date and claim date was 43.92 months (3.66 years)